

This record is a partial extract of the original cable. The full text of the original cable is not available.

291929Z Apr 05

C O N F I D E N T I A L LAGOS 000654

SIPDIS

E.O. 12958: DECL: 04/28/2009

TAGS: [ELAB](#) [EPET](#) [KDEM](#) [NI](#) [PGOV](#)

SUBJECT: NIGERIA: PETROLEUM TRUCK DRIVERS STRIKE ENTERS DAY FIVE

REF: LAGOS 631

Classified By: Political/Economic Chief Ava Rogers per 1.4 b and d

11. (C) Summary: In an effort to resolve the on-going petroleum truck driver strike, the chairman of Zenon Petroleum and Gas paid Lagos State government an undisclosed fee, ostensibly to cover the impoundment fees levied against striking drivers. However, Lagos State and the drivers remain at loggerheads over where to park the petroleum trailers and the strike has not/not yet been suspended. Five days halted fuel distribution have stranded thousands of commuters. Despite the consequences, the public appears to support the State's effort to end the drivers' dangerous practice of parking trailers on major highways. End summary.

12. (C) Zenon President and CEO, Femi Otedola, confirmed he paid Lagos government to release 40 impounded petroleum trucks. Striking drivers had made the release of these trucks a pre-condition for ending the labor action (reftel). Though the impoundment fines reportedly totaled N2million (about \$15,000), Otedola intimated he paid a significantly larger amount. Otedola told us he called Governor Tinubu April 28 in London to ask how he could help resolve the strike. When Otedola expressed a willingness to pay the impoundment fees, Tinubu reportedly retorted, "well if you have so much money, pay N4million." Otedola did not divulge the final amount of his payment.

13. (C) Zenon is the largest diesel marketer in Nigeria. For Odetola, the strike is bad business and he is willing to pay money to whomever in order to make it go away. Odetola said in his view, Lagos Governor Tinubu's actions are politically influenced. Having been unable for almost a year now to secure the local government revenues owed Lagos by the Federal Government, Tinubu must find ways to show he is "still in charge." If the muscle-flexing also results in extra revenue, so much the better, Odetola averred.

14. (SBU) The week-long strike has been a nightmare for commuters who are paying up to 50 percent more for transportation, when it can be secured at all. Black-market fuel hawkers are recording huge profits, while major oil marketers tally equally astounding losses. Otedola said in five days, Zenon has lost over N3 billion in revenues and incurred N250 million in demurrage charges on imported diesel. Grasping for any resolution, Otedola offered to help finance the alternative parking lots needed.

15. (SBU) Despite Zenon's largesse, the strike persists. Peter Akpatason, President of the National Union of Petroleum and Natural Gas Workers (NUPENG), told us the sticking point is the State's insistence that drivers sign an agreement pledging to no longer park on the highways. Union members said they would only agree to such an undertaking, after the state developed an alternative parking site. Akpatason hinted a compromise may be reached where parties jointly agree to "find a lasting solution to the problem".

16. (SBU) The Lagos government maintains signing the "I won't do it again" declaration is standard operating procedure before the release of any impounded vehicle. Transportation Commissioner Muiz Benire has vowed not to waive the stipulation, pronouncing it the only guarantee against recidivism. Benire urged Lagosians to weather the difficulties as part of the state's efforts to improve road safety. Separately, a Lagos government official told us a newly-wed couple's death was the catalyst for the state's crackdown.

Comment

17. (C) In spite the difficulties caused by the strike, Lagosians seem to support the government's actions for now. Holding the truck drivers responsible for scores of accidents, which were perhaps avoidable, they find the state's measures justified. Many petroleum truck drivers hail from northern Nigeria and accordingly owe little fealty to the Lagos power-structure. Active involvement and "lubrication" from major fuel marketers such as Otedola will likely be what gets this strike resolved.

